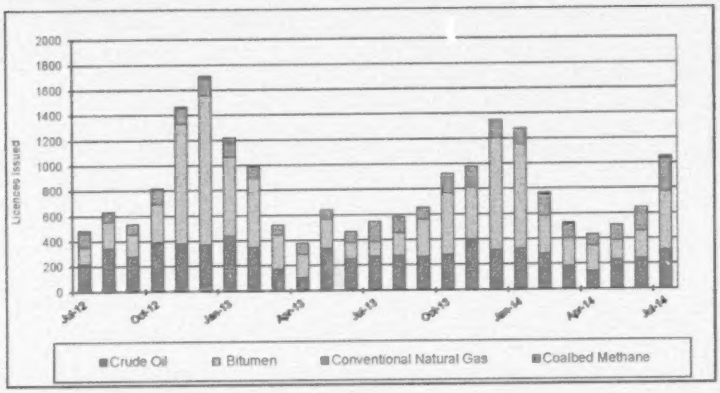
August 2014 Industry Activity Report

Monthly Well Licences



The total number of well licenses issued in July was 1,051, up 92% from the 547 issued in July 2013.

There were 306 licences issued for crude oil in July, up 14% from the 268 crude oil licences issued in July 2013.

86% of the crude oil licences issued in July were for horizontal wells, compared to 81% for July 2013.

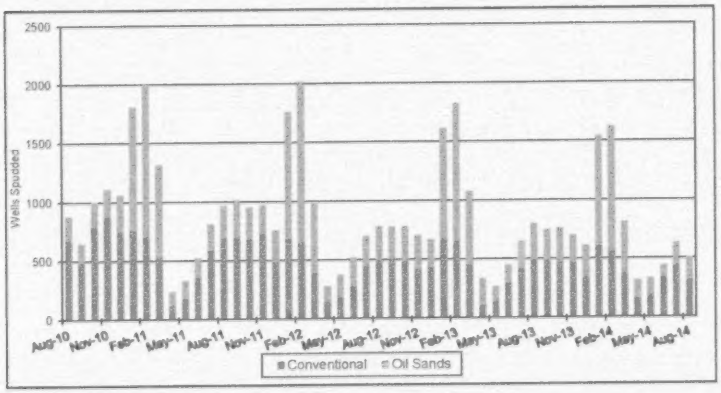
There were 264 natural gas well licenses (excluding CBM) issued in July 2014, 63% higher than the 162 licences reported last July.

73% of natural gas well licenses issued in July were for horizontal wells, down from 85% from the same period last year.

Licenced Wells	July Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	193	25%
	Vertical/Direct	71	
Coal Bed Methane	Horizontal	-	1%
	Vertical/Direct	14	
Crude Oil	Horizontal	264	29%
	Vertical/Direct	42	
Bitumen	Horizontal	52	44%
	Vertical/Direct	255	
	Evaluation	160	
Total		1051	100%

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



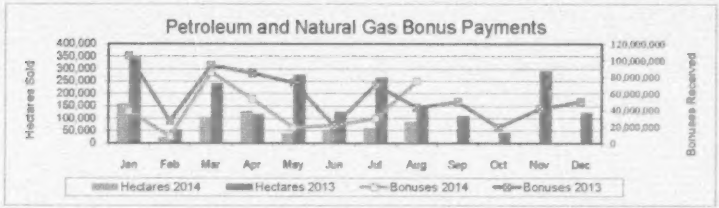
Operators spudded 508 wells in August, down 37% from August 2013 when there were 801 spuds listed.

Over the first eight months, there were 12% fewer spuds than in 2013.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	Conventional	920	861	275	66	143	317	712	672	486	790	875	753	6,870
	Oil Sands	697	1017	318	97	73	105	179	206	165	214	238	312	3,621
2011	Conventional	760	710	530	120	178	355	590	692	705	682	734	487	6,543
	Oil Sands	1052	1293	788	121	156	170	222	275	313	273	240	270	5,173
2012	Conventional	684	648	387	144	181	279	440	494	504	486	422	430	5,099
	Oil Sands	1079	1374	593	132	194	239	264	291	280	295	284	241	5,266
2013	Conventional	666	655	449	108	133	299	416	486	485	477	468	349	4,991
	Oil Sands	950	1171	630	231	136	153	238	315	262	287	236	267	4,876
2014	Conventional	605	560	376	165	187	332	434	317					2,976
	Oil Sands	944	1068	434	152	146	107	199	191					3,241

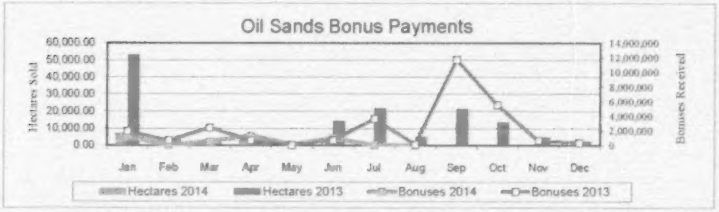
Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales



Crown land sales earned $74.98 million in August, with an average price of $869.15 per hectare.

Thus far in 2014, average crown land prices were $495.96 per hectare, up from 2013 when the average crown price was $314.81 per hectare. Total revenue for the January-August period was $336.4 million, down 36% from last year's eight-month total of $528.9 million

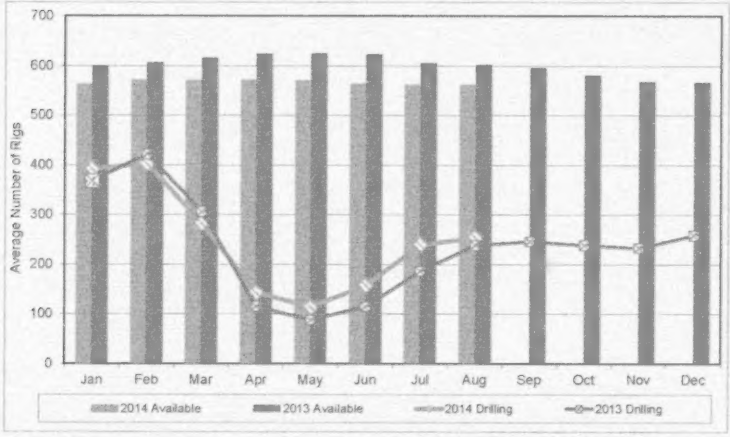


Petroleum and Natural Gas Rights	Aug-14	Aug-13	YTD 2014	YTD 2013
Bonuses	$74,957,510.50	$42,955,437.94	$332,144,330.67	$518,857,413.51
Hectares	85944.79	148090.47	658883.56	1575431.78
Average Price per Hectare (Cdn$)	$872.16	$290.06	$504.10	$329.34

Oil Sands Rights	Aug-14	Aug-13	YTD 2014	YTD 2013
Bonuses	$18,555.10	$128,547.20	$4,237,959.90	$10,008,925.74
Hectares	319.20	4928.00	19903.20	104510.32
Average Price per Hectare (Cdn$)	$58.13	$26.09	$212.93	$95.77

Source: Alberta Energy

Alberta Rig Activity


Average Number of Rigs
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
2014 Available
2013 Available
2014 Drilling
2013 Drilling

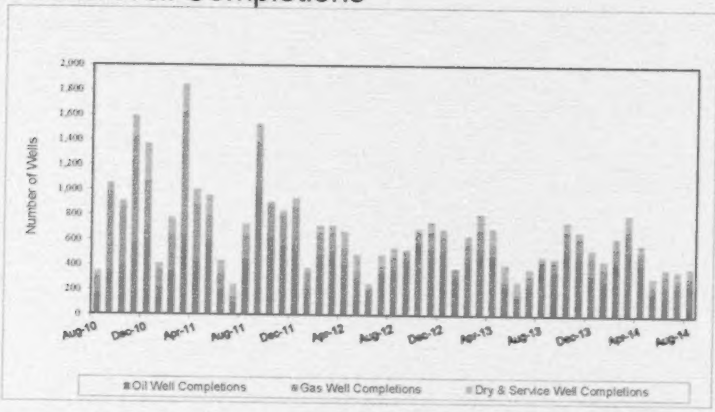
In August, Alberta oil and gas fields kept an average of 45% of the province's 562 available rigs at work, compared to 40% of the 601 available rigs working in August 2013.

The average number of rigs available for work during the January-August period was 566 (44% utilization), compared to 612 rigs for this period in 2013 (38% utilization).

August	Drilling	Down	Available	Rig Util. Aug-14	Rig Util. Aug-13
Alberta	254	308	562	45%	40%
Saskatchewan	68	75	143	48%	52%
British Columbia	50	25	75	67%	66%
Northwest Territories		1	1		
Manitoba	16	10	26	62%	44%
Canada	387	421	808	48%	44%

Source: Canadian Association of Oilwell Drilling Contractors

Alberta Well Completions



The 389 reported well completions in August decreased 18% from the 474 completions reported in August 2013.

Included in the eight month total of 3,894 well completions were 2,575 oil completions (down 10% from last year), and 747 gas well completions (up 27% from last year).

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	Oil Wells	253	144	397	198	400	126	131	168	357	402	999	676	4,251
	Gas Wells	324	308	632	418	462	117	110	135	638	461	847	403	4,855
	Dry & Service	62	79	141	6	51	41	26	43	59	46	169	294	1,017
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	5,798
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	3,588
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	1,223
2012	Oil Wells	215	489	516	405	296	205	348	380	447	588	533	523	4,945
	Gas Wells	131	181	146	141	62	12	46	98	65	81	137	110	1,210
	Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	760
2013	Oil Wells	313	449	544	481	230	179	263	394	357	528	463	333	4,534
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	1,117
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	757
2014	Oil Wells	280	427	520	418	188	240	245	257					2,575
	Gas Wells	105	119	166	94	54	94	52	63					747
	Dry & Service	57	80	126	62	63	45	70	69					572

Source: Daily Oil Bulletin, Nickle's Energy, Information, and Technology
For further information, visit www.nickles.com